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AT&T Announces Cable Franchise Talks with Select Michigan Communities: No State or Federal Legislation Needed

LANSING – After hundreds of Michigan communities invited AT&T to sign local cable franchise agreements, AT&T in a May 15, 2006 press release announced it was going to “open T.V. franchise talks” with individual Michigan communities. “This is a positive development, and AT&T deserves credit for changing their corporate position on local franchising. Michigan communities are ‘open-for-business’, and will get AT&T into this business in a short time, said Grand Blanc Mayor Michael Matheny, president of the Michigan Municipal League. “The fact that AT&T is starting local franchise talks demonstrates that no state or federal legislation is needed”, Matheny added.

“Previously, AT&T’s corporate policy has been that they are an IPTV service that is not subject to the local franchise obligation. This seems to be an indication that AT&T is changing their position on this issue. While communities around the country should welcome this change, my guess is that Wall Street, the Federal Communications Commission, Congress, and some state legislators are going to be asking tough questions about this major corporate policy shift,” said David Bertram, spokesman for the Michigan Townships Association.

“The local franchise process is the only way to ensure that all residents within a community matter, and that a provider does not cherry pick among neighborhoods, streets, or homes. AT&T told their Wall Street investors that they are only going to serve up to 5 percent of ‘low-value’ residents, which are those who buys less than \$110 per month in telecommunication services. Local franchising will allow communities to ensure that no residents are left behind”, said Joe Fivas, assistant director of state affairs for the Michigan Municipal League.

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Unfortunately, in this release, AT&T intentionally slighted the Michigan townships, and rural areas by not including them in continuing an open dialogue on local franchising. "From day one, AT&T has not been serious about providing more video competition to townships, or rural residents, yet they want to eliminate local franchising which are townships, or rural areas, only guarantee to get more additional broadband, and infrastructure investment," said David Bertram, spokesman for the Michigan Townships Association. "We depend on local franchising which guarantees 'build-out' of service areas. Without local franchising, townships, and rural economic development could be crushed," Bertram added.

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